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SOURCE

1. The Philippine lumber industry is suffering seriously from high labor costs. With the exception of the Insular Lumber Co, all the leading sawmills are operating at considerably reduced volume. Instead, the major lumber companies are selling their raw timber to Japan where it is peeled, cut and milled, and re-exported. This trend is sure to have economic repercussions in the Philippines, where the lumber industry is probably the most important after mining. In an effort to combat this development, all of the leading sawmills are modernizing in order to become more efficient. This involves a total expenditure of millions of dollars. The industry is also turning its attention to the production of pulpboard and hardboard. Eventually, the Filipinos may regain some of their business since US consumers have been complaining about the poor quality of the Japanese lumber products.
2. US suppliers of simple equipment, such as liners, to the Filipino mining industry are becoming worried by increased competition from Formosa. The Nationalist Chinese apparently are using scrap steel, and perhaps armor, to make liners and other heavy equipment which they can sell in the Philippines for incredibly low prices.

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